Conversation

...*with* CHRIS ARGYRIS

*C*hris Argyris has formidable credentials: James Bryant Conant Professor of Education and Organizational Behavior, Graduate Schools of Education and Business Administration, Harvard University; author of 16 books and over 125 articles; consultant to the top management of over 50 public and private organizations, including the U.S. Department of State and some of America's largest and most prestigious corporations.

Florence Nightingale earned the designation "governess of the governors of India." It might be equally appropriate to dub Argyris "teacher of American presidents." A more important question than what to call Argyris is what he teaches his presidents. Not substance, but process, is what they learn from Argyris. He helps them learn how to change their behavior, how to become more effective problem solvers and decision makers. To make the same point, but in different words, Argyris helps his presidents appreciate the conditions that must obtain if they are to acquire valid information and what they can do to facilitate these conditions.

Learning for more effective action is not easy, Argyris emphasizes; his writings catalogue more failures than successes. He admits that he is unaware of any organization development success story in a total organization—that no existing organization has made the structural changes indicated for a fully developed Yb system. Argyris is enough of a realist to confess the failures and recognize the problems, but enough of an idealist to insist that the goal is worth all the striving, and that some organizations, and some presidents, eventually will achieve it.

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DOWLING:

A generalized question to start: Many experts argue that it's easier and more effective to bring about improvements in performance by changing structures and systems than by trying to change people's behavior directly. If I understand your position correctly, you would say it all depends—on the size and complexity of the change in structure and system necessary to effect the desired improvement and on the level of the individual in the organization and the degree of responsibility that he has. So yours is a conditional approach to organizational change. For example, you cite the classic case of Bill Whyte and the introduction of the spindle between the waitresses and the countermen that depersonalized the ordering process and defused their relationships. Previously, waitresses had competed for the counterman's attention in handing in orders. You might have accomplished the same thing if you had taken the trouble to have a very lengthy and elaborate confrontation session. But why bother?

ARGYRIS:

Right. What you just said makes sense, but let me add one other factor. If the person knows how to perform the new behavior you require—as in the spindle case, once they created the innovation there was no new behavior that they needed to learn—then it's quite easy to change behavior. But if the person doesn't know how to perform the behavior that you require, then that may be more difficult. For example, if we ask how management should behave to increase their subordinates' trust in them (and let's define trust as people's ability to take risks in front of each other), that kind of behavioral change—even though I haven't found many people against increasing trust—is very difficult to achieve. Most of my life is spent in trying to alter behavior and helping people to acquire skills they don't have that are essential to the new behavior they value and want to achieve.

DOWLING:

In other words, in teaching them new skills.

ARGYRIS:

Yes. And these new skills require new values. The second factor I want to add is to ask to what extent the new behavior is not performable without the cooperation of someone else. If I'm supposed to change something that only I have to learn, that's fine, but what if it's something that my colleague also has to learn before the change becomes meaningful? Let's assume that we're in a problem-solving meeting and, let's say, I see him completely misunderstanding my department's goals and doing this for political reasons—and he sees me as exhibiting the same behavior for the same reason. Let's further assume that, as a consultant, you help me to see that I have been doing that to him and that you help me, somehow, to alter my behavior. That isn't enough; he's also got to alter his or I'm still going to be in trouble.

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DOWLING: I remember an instance that Chapple and Sayles give where several supervisors had responsibility for different steps in the credit operation; there was no end of backbiting and buckpassing among them. This problem was solved rather easily by simply putting them under the same boss—in other words, by restructuring the work flow logically and making the several steps the responsibility of a single superior.

ARGYRIS: Because there the lack of cooperation had been caused by the way things were structured. However, let me add a point and pose a question. Did they need an Elliott Chapple to help them realize what was wrong? I think they did, but why did they need Elliott to do it? Didn't they have the intelligence to make that change on their own? So there's another issue that interests me: Not only how do you help organizations change, but how do you help them figure out why they needed someone else to bring about this change? This second criterion would not concern Elliott, while a management consulting firm might not want a company to develop that kind of intelligence, because that would lessen the need for consultants.

DOWLING: I see your point. On the surface the restructuring seems obvious, but apparently they were locked in by their perceptions and they did need a consultant to point out what seems, in retrospect, to be the logical solution.

ARGYRIS: I have yet to be in an organization where my recommendations about structure or anyone else's are new to the people in that organization. Most of our recommendations are based on interviews and observations of people and I have found that, generally speaking, there is the intelligence within the system itself to solve any management problems. So, in addition to structural or interpersonal change, there is this other issue: How do you help organizations diagnose why it is that they need an outsider to solve problems they already have the intelligence and information to solve themselves? Of course, if they're unable to use the intelligence and the information effectively, obviously they need an outsider.

DOWLING: You gave another instance of organizational change—Bob Ford's experiments at AT&T with job enrichment. There the structure of the job was changed without any consultation with the people whose jobs were being changed. The process was completely authoritarian. And yet it worked; the morale improved; the quality of work improved; attendance improved. Of course, you made the point that the changes worked in these cases because you were giving the employees more responsibility, even though they hadn't asked for it. Also, change was facilitated because each job was a self-contained unit.

ARGYRIS: The change was top-down, all right. But the people in Ford's group had found out ahead of time that these college-educated customer representatives were fed up with their jobs; in effect, they had gotten some data as to what kind of changes these college reps would work best under. I know another case in the Bell system where employees were given more responsibility with   47

positive results in terms of the worker, but the foremen were worried by the changes and went to the middle management and said they wanted more work. The middle management said, "Before we give you more work, which means we'll have to give up some of our work, we will have to approach the next level. . . ."

DOWLING: "... and say what are you willing to give us so that we, in turn, can enrich the foremen's jobs by delegating some of these chores."

ARGYRIS: Right. It worked all the way up to the vice-presidential level, and they stopped it because they didn't want to give up anything to the next level below. That's creating quite a credibility problem.

DOWLING: I hadn't heard that before. I do remember that in that customer correspondence group there was one woman who was an exception. She said, "Look, if you give me more responsibility, I want more money; I quit." But this was only one out of over 120 employees. For the rest, having a more interesting job was sufficient reward.

ARGYRIS: If, indeed, you increase productivity, it's terribly important to give an employee a fair share of the increase in productivity. Some companies are doing wonderful work in this area of job enrichment and some are using it in a god-awful way; it will backfire, and I'm glad it will.

DOWLING: Have you followed the Emery Air Freight's application of Skinner's positive reinforcement?

ARGYRIS: They applied it with salesmen.

DOWLING: It began in sales, but where they've had the most concrete results is with customer representatives and people on the loading docks, where they've increased containerization utilization from 45 to 90 percent. It's the combination of continuous feedback on daily performance through records that workers keep themselves plus having the boss provide positive reinforcement according to a Skinner-type schedule. Skinner thinks that Emery's application of his ideas is immoral, because they boast of saving over $3 million, yet they have shared none of the savings with their employees. So far, they've gotten away with it. Maybe you're right, and it will eventually backfire or boomerang.
    In terms of your assertion that with organizational change, structural change is only effective at levels where the level of responsibility is not great, how do you reconcile this with the structural changes Lord Wilfred Brown instituted at Glacier?

ARGYRIS: That's a very good question. If I understand what went on at Glacier, I think they did what I believe in—in fact, I learned a lot from Glacier. What happened was that the psychiatrist Elliott Jaques began by working with

Wilfred Brown and increased the degree of discussion, confrontation, problem solving, and trust at the upper levels. They then began to spread that new, interpersonal competence to the next level; in other words, they did not start with structure; they started by focusing on what I would call the interpersonal issues that influence problem solving. Once they did that, they began to make the structural changes.

My point of view is not that you should avoid structural change. However, I don't think you should start with structural changes; you should start by doing what Jaques did in the factory and then proceed to structural changes. If I understand the situation at Glacier, there was still some degree of top-down coercion, or imposition of structure. At the same time—and this has its parallel in other organizations—Jaques and Lord Brown developed a kind of structure that provided for increased choice, commitment, and responsibility for employees. So the resistance to this imposition of structure was less because employees saw that they were being given, in fact, greater opportunity for the control over their work lives.

DOWLING: Through their elected worker representatives on the works council.

ARGYRIS: Yes. I recall that Lord Brown told me that one of the first people he had as a representative was a communist trade union leader or shop steward, and people told him, "Don't let this guy on the works council; he's a troublemaker." Lord Brown replied, "No, we meant what we said. He's been elected and we've got to follow through." As I remember the story, it was the employees themselves who pressured him when he got out of line. They would say to him, "Look, this system is trying to be fair and you're not being fair in trying to buck it." Eventually, this man altered his attitudes and is now, I believe, a manager at Glacier. To summarize, I think the following has occurred: Lord Brown and Jaques started with unfreezing the organization, especially at the top. Second, with the unfreezing they learned a lot from the people below. Jaques spent a lot of time working at the lower levels of the organization, he fed back information, and together Lord Brown and Jaques designed a system that genuinely increased the control that the employees had. Part of that design was the opportunity to confront any kind of imposition, as well as the chance to take the initiative in creating new impositions, new structural changes.

DOWLING: You mean the fact that any changes in basic management policies require the unanimous consent of both management and the employee representatives on the works council. Of course, there's also a formal appeals system open to any employee.

ARGYRIS: That's what I mean—that the opportunity to confront the system is built into the system. The other factor that helps to make the system work is the innate British sense of fairness.

We've got to find ways of integrating what Lord Brown has done with what people like myself are talking about. I find his most recent book a fascinating one, but, as he says, there is nothing in it on motivation. His

fundamental assumption appears to be that if you're a decent, civilized manager and you define a just system clearly and unambiguously, and if you define ways of changing that system or making it changeable, then people will really work hard. There's a lot of truth in his position; he's one of the few people who have come up with a relatively precise definition of what he means by a manager or what he means by a subordinate, and if people accept these definitions and function within them, you have a good working relationship. Where he and I might team up, figuratively speaking, would be for him to help develop these new definitions and for me to help develop a problem-solving interaction among the people so that they could confront these definitions and then internalize the ones they want.

DOWLING: There's a little book since the one you're referring to called *The Earnings Conflict,* in which Lord Brown looks at the British society as a whole and expresses his fear that the British are losing that quality of fairness that formerly marked most of their relations. What's happened in England in the past months suggests that his forebodings are justified.

ARGYRIS: I don't have any data for this, but I'd like to hypothesize that one reason this sense of justice, this sense of being willing to submit to what I'll call for a moment the "impeccable logic that is just," is deserting the youth in England is that it doesn't leave as much room for the expression of feelings as they need. They may, in fact, in another ten years go through what we went through in the Sixties with the hippie movement and the campus revolts.

DOWLING: Assuming that you're right and that Lord Brown and Jaques began changes at Glacier in what you feel is the right way—first changing the values and the behavior at the very top—then it's clear how rare the Lord Browns are in the world. Your own piece in the *Harvard Business Review* on chief executive behavior as the key to organization development makes this point very strongly. The profile of the chief executive officer that emerges is of a man deeply committed to Theory X values and behavior. But not an inflexible autocrat, because he's perfectly capable of innovation, providing he does the innovating.

ARGYRIS: But certainly he is an autocrat.

DOWLING: I'm also reminded of the study that Mason Haire and several others did a number of years ago of over 3,000 managers in various countries. There would appear to be a managerial constant—that most managers felt their subordinates lacked qualities of leadership, were afraid of risks, and needed direction. In other words, when you initiate Theory Y organization development at the top of most organizations, the climate is singularly hostile.

ARGYRIS: OK. You're getting at another crucial issue and my comments may be a bit long-winded.
I'm now working with a group of presidents, many of whom are

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represented in that article, trying to see what changes can be brought about. For example; I've worked with T-groups, and the idea was somehow to help people change their behavior. When we ask managers how they behave in dealing with people, they give us pretty straightforward answers. We study these answers and formulate them in the form of propositions: If you want to influence these kinds of workers, do the following things and you get the following results. The generalizations are pretty straightforward. We develop them from a lot of cases, and we call these the "espoused theories" that people have. Then we make tapes of the same managers' behavior under those conditions and we find that, for the most part, their behavior doesn't match their espoused theory, which is the kind of proposition the Haire study documented. People claim that they act democratically in dealing with other people when actually they behave autocratically.

We had started with the assumption that all human behavior is informed by some theory the guy has, a map that gives meaning to whatever he or she wants to do. If that's true, then it doesn't make sense for people to hold theories that they don't use or practice. So we went back to the tapes and we listened to their behavior and told them, "We are going to recreate the theories that must have been there in your minds." We called the resulting propositions their "theory-in-use" or their "theory-in-practice." We developed a model of the theory-in-use and we were able to show that one of the propositions of this model was that if you see someone else behave incongruently between his espoused theory and his theory-in-use, you didn't say anything, especially if the manager exhibiting the incongruency has power. In this way we could begin to see one reason why executives weren't learning about their discrepancies—they weren't getting any kind of feedback.

Now we're developing a new kind of what I'd like to call education for effectiveness—when I say we I'm referring to Don Schon, who wrote a book on organizational stable states and innovations. . . .

DOWLING: Yes, I've read it. An exciting work.

ARGYRIS: We've just finished a book together; we call it *Theory in Practice*, with implications for the redesign of professional education—how do you design education that will lead to more effective action? In this book we make the following kinds of generalizations: The best way to change behavior is not to focus on behavior; what you need to do is help people discover and make explicit their theory-in-use. If you help a person discover what his theory-in-use is, he can then decide whether he wants to alter it. If he learns how to alter it in an actual, on-going situation, you've helped him more than if you say to him, "You ought to be less autocratic."

For example, I have had people—presidents—who say, "Now I really see how autocratic I am; I'm going to change. I'm going to stop cutting people off when they talk to me." Later, we may tape his behavior and find that, indeed, he has stopped cutting people off, but either he increases his control over people in another direction or he keeps himself pent up as long as he can and finally reverts to his previous pattern. And people say, "You see, this is just a gimmick; this guy isn't really changing."

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However, when we help him develop a theory-in-use, he sees that one of his ways of behaving is to control people in a certain way and with certain consequences, and if he's going to change, these values have to be changed. We begin to get a person who, first of all, has a much more realistic level of aspiration regarding how much his behavior is going to change—he realizes that he won't be a new person overnight, and second, realizes that he needs the help of the people with whom he's working. He no longer keeps thinking, "Well, I went to my T-group and I learned that I have to be less authoritarian. I'll try being less authoritarian by, in effect, becoming the opposite of what I was"—which is to withdraw. Instead, he might involve his peer group and say, "Look, I'm beginning to see some of my behavior; here's the theory I've been operating under among you people, and it doesn't make any sense to me now. However, I'm not going to change these values overnight and therefore, I don't expect real changes overnight in the way I work with you. I need your understanding and your help."

We've found that these presidents now have a map of why they behave the way they do, the values they hold, the strategies they tend to use, and the consequences that these strategies have on other people.

In a T-group, the strategy has been to create a vacuum and then have people project their behavior onto the group. In this new method of education for effectiveness we begin by recording a president's behavior, then abstracting five pages of it and listening to it.

DOWLING: Do you mean recording an actual business meeting?

ARGYRIS: Yes, an actual meeting. The president sends the recording to us and says, for example, "Here's my executive committee meeting for Wednesday," and we abstract from it, let's say, five pages. Next, ten presidents from different corporations meet here and read these cases in actual scenario form—no analysis, just what did the guy say and how did people react to it.

DOWLING: They're reading each other's scenarios.

ARGYRIS: Right, and their own. After reading the scenario they ask themselves what kind of a theory-in-use can they deduce from the transcription: To what extent is the president what we call Model 1, which includes Theory X but goes beyond it? Each president prepares his own diagnosis of his behavior while someone else in the group is doing the same on his case—so every president analyzes his own case and someone else's. Then they meet and exchange diagnoses. A president, for example, has the chance to show the group that he's developing some insight into his behavior; he may see that he was much more controlling than he had thought. He's challenged to do his best because he knows that when he's through someone else is going to analyze his case. We find that instead of worrying about who am I, what is my role (typical questions in T-groups), people are worrying more about how effective they can become. They're less interested in caring for one another and more interested in learning from one another and becoming more effective.

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Because we have these maps of the theory-in-use, you don't need a vacuum to get sincere behavior going. Typically, the participant seems to rationalize as follows: "I've got a week; I'm not sure whether I'll really get to know everyone here or even get to trust everyone here, but what can I do to maximize my learning? How can I use the participants' resources to improve my understanding of my behavior?" In other words, using tapes makes people less dependent on each other; they have to worry less about caring for each other and interpersonal closeness and they worry more about effectiveness and competence and how to alter their behavior.

DOWLING: I remember when you were explaining the relative failure of a top management group in organization development. All of them had had prior favorable experiences with T-groups, and yet the only time they actually showed any learning was when you were around. Once you left they reverted right back to their old behavior. I remember that one of the reasons you gave was that T-groups taught the wrong things, that there was very little emphasis on becoming more effective in group relations. . . .

ARGYRIS: Or more effective in problem solving.

DOWLING: Yes. The emphasis was on being evaluative and so forth. So in other words, what you're doing with this new approach is remedying what you diagnosed as the critical weakness in T-groups.

ARGYRIS: Exactly; that's our attempt. By Thursday of a week's program each president has developed a pretty accurate map, we think, of his theory-in-use. Thursday night each one goes to his room and asks himself, "OK, this is my theory-in-use; what can I do to modify it? Tomorrow I'm going to present to the other nine people the action steps I'm planning on taking." We tell him, "When you come and tell us what you're going to do, don't give us your espoused theory. We want to know what you are planning to do, what you're planning to say." It's not enough for them to tell us they're going back to their group and try to be less controlling and listen more. In an effectiveness group, by contrast, the participants say, "All right, give us a scenario. What will you say, how will you do this, how will you reduce your control?" Maybe the president's response is, "I won't say anything." Well, that becomes the opposite of control.

DOWLING: It's withdrawal.

ARGYRIS: Right. It's not very helpful and it's not likely to be sustaining. And if that were the president's plan, we would point out the fatal flaws in his strategy. In any event, three months later each president sends us a second tape of his behavior and again we type up an excerpt.

DOWLING: This is another tape of an actual meeting? 53

ARGYRIS: Yes. The group meets here three months later to discuss the changes that they've been making. And I'm beginning to see change to a degree that I hadn't seen in T-groups. But the most important thing that I'm beginning to see—which I like—is that they're learning how to learn from a situation. There's no amount of training we can give them here that duplicates the variances and the complexity of the on-the-job situation. We can't even try to anticipate all the situations they're going to encounter, but we can help them to learn how to learn so that they can go back and alter their behavior through their own understanding of what is happening. One thing they realize is that they can't do it by themselves; the best way is to learn from their own work team.

Another difference in this kind of learning is that instead of saying, "OK, be less autocratic," we say, "OK, learn what your theory-in-use is and learn here how to alter your theory-in-use under conditions in which other people tell you they can't figure out what underlies your behavior." Then they try out their modified theory-in-use back home. Sometimes they come back and tell us, "Here was the trouble I had. I thought I was going to do this but it didn't work out." And the rest of the participants study the scenario and try to determine what went wrong and why.

That's my long-winded answer; I've forgotten the question.

DOWLING: I don't remember the wording myself. But I recall that study of yours in which there was a substantial quantity of observable change in a consultant group. What impressed me most about that was that here were people who, in addition to changing their attitudes and behavior, also experienced a payoff as a consequence of their changed behavior. They had been reluctant to fire people, but now they found they were finally able to get rid of some incompetent executives. They set up some new control procedures that reduced the frequency of missed deadlines. What I'm getting at is that in order to have any really effective change, you have to be able to internalize success —success that you can relate to the acquisition and application of your new values.

ARGYRIS: Yes, because that success becomes the reinforcer of the new values and the new behavior. I thought you were going to say that the consultants changed because they were more intelligent than the other executive groups I'd studied. My own feeling is that they're not that much brighter than any other top-management group, but there's more pressure on them to be competent because there is immediate feedback from their clients. By contrast, I've been in an oil company where the president and vice-presidents knew what their market was and they felt relatively safe; in this case there was much less internal pressure—internal to themselves—to change. They argued that the inefficiency we pointed to as caused by their lack of openness was something they could afford.

54 DOWLING: Since change is painful—why go through it?

ARGYRIS: Yes, although some of the vice-presidents, especially the younger ones, responded that someday one of them might be president and, by that time, not able to afford it. But the feeling wasn't as compelling as in the consultant group.

DOWLING: You referred in another example—a brief one that I hope you can expand on —to a division in a large electronics company that over a period of time systematically developed a group of executives who were willing to experiment, take risks, and so forth. I was wondering how they did it. What did top management do to make this development possible?

ARGYRIS: In effect, we worked with the top level with tapes of their behavior until they had become much more effective, much more interpersonally competent. I want to be clear on one point: I'm interested in interpersonal competence, in such phenomena as openness and risk-taking and so on, because they have an enormous influence on rational problem-solving processes. I like to picture myself as a person who's saying, "Let's take a look at how emotions or suppressed emotions and so on gum up effective problem solving." I'm interested, in other words, in helping make rational activity more effective. I don't want to be viewed as a person who champions feeling over reason.

DOWLING: You use the phrase "the rationality of feelings."

ARGYRIS: Exactly. We were able to score the effectiveness of their problem-solving processes. When they got to the point—unlike Company P, where they regressed every time I wasn't around—that they were able to reward each other and reinforce each other for more openness; then we took the next 40 people, rather than leaving it with just the top 20. That took almost a year. Then we tackled the next group of, as I recall, 60 managers. The results were best at the top and next best with the second group of 40. By the time we finished, it hadn't percolated as well among the lower group of 60 managers as we had hoped, but things were a lot better than they had been before. We didn't start at the second level until we were sure that there was a group of top managers who were going to reinforce the new behavior and not say, "Well, what the hell have you guys learned?" Not only did we spend a week with each group, but we worked with them in their actual problem-solving meetings and we taped their meetings after they came back and scored their performance and fed the data back to them.

As a consequence, top management began making structural changes. For instance, they realized that the design of their budgetary system was based on the assumption that you can't trust people, so they began to redesign budgetary systems. They also began to redesign their organizational structure.

DOWLING: The last comment is a fascinating one. I remember being both intrigued and a little frustrated in a couple of your books because you made the point that if you changed interpersonal relations in the direction of Theory Y or your variation of it, Theory Yb, you also needed to make changes in ad- 55

ministrative control mechanisms, structural design, and reward and compensation systems. But there were no maps as to what these structural changes should be if they were to be congruent with your Yb system. Maybe you're able to be a little more explicit about the structural changes that are desirable if you want to make the structure congruent with your system.

ARGYRIS: I'm going to disappoint you, because I don't think that research has been done. On pay, for example, I think that in this country Ed Lawler and in England Tom Lupton and his group have focused most on these issues. In my book on integrating the individual and the organization, there was a section in which I tried to brainstorm the kinds of structures that will be needed. After brainstorming these ideas on leadership control systems and new kinds of structures I went back to a group of presidents and they said, "These are great ideas." I told them, "Fine, but we need to test them; there's no empirical data." This was in '64.

DOWLING: Ten years ago.

ARGYRIS: They said, "We'll be glad to support you, but not with this." I asked why, and listening to their responses was how I got interested in the interpersonal competence issue. They said they didn't trust each other enough to work together on anything so sensitive. That put me off on T-groups—all these presidents were alumni of T-groups. And hence this shift to education for effectiveness. At the same time I've been studying management information systems, I've also been studying budgetary systems, but I can't honestly say that I have the kinds of maps that satisfy me.

DOWLING: What set me off was the comment about the electronics company where top management decided that since they had these new values, they wanted to revamp their budgetary system.

ARGYRIS: I'm working now with a company that's doing some very innovative things. The president came to me and said, "What new kinds of pay systems are there for a Yb world?" When I told him I honestly don't know he said, "Well, we'd better find out; let's experiment." What he soon realized was that even if he knew what the right pay system was it would not work because it would be imposed. Even if he said, "I don't want to impose this on you, but here's something that's worked well in another organization. Would you like to use it?," the degree of imposition would be great enough that the internal commitment wouldn't be very strong. Can you afford to have low internal commitment when you're monkeying with the pay of your top people?

This man started at the top, so that meant that his top team did some real work on their own values, as a result of which they developed a new incentive compensation system for the corporate management group. Interestingly enough, they then asked, "If we're developing our own pay scheme, why shouldn't the people immediately below us also have a pay scheme?" Then they spent I don't know how many sessions trying to de-

sign a pay scheme for the divisional management groups. When they finally brought it to me I said, "Before you introduce it, let me ask you something. You had a theory that you couldn't impose it on yourselves; how can you impose it on the people below?" They hadn't invited them to any of their sessions.

Dowling: There was no participation.

Argyris: None. This realization surprised them; they saw that they were violating their own values. So they stopped where they were and brought in their subordinates—the people reporting directly to the president or vice-presidents—and told them exactly what had happened and involved them in the redesign. That's where they are at the moment. They're experimenting with what they say are insignificant amounts of money compared with the total salary package. But they intend to make the amounts significant.

I sometimes ask myself—and maybe this is a defense on my part—what would happen if we knew what the right structures were or what the right management information systems were and so on. Could they be imposed? I think they could be imposed on new organizations, but in an old organization I don't think it would work.

Dowling: In a new organization there's no value conflict.

Argyris: That's right. But in old organizations you may need to go through the unfreezing process. If you do go through the unfreezing process, then you should let the people pretty well design the structures themselves.

Dowling: When you stress the importance of beginning anything like this at the top I certainly see the power reasons, but I also remember Bagehot's marvelous phrase about the middle class being an imitative class. Maybe another factor here is psychological—that middle management is also an imitative class. In other words, they look up to and imitate the top brass.

Argyris: I don't know how to answer that. Let me speak first of middle management. In order for me to find out if they are an imitating class I'd have to factor out the impact of the authority of the people above them, which I wouldn't know how to do. So if they are imitating, it may be that the power factor is the whole story. There's one way of getting an answer, and that is to ask yourself where most of the innovations in a given organization come from. I know as many people in middle management as in the upper levels of management who are prepared to make significant innovations. I know a manager in a large company who was in the advanced management program at Harvard and who is now trying to do some really very simple things with job enrichment, but he's keeping it secret from his top people. So I can't go along with the class thesis, although it just might be true.

Dowling: The man you're talking about is taking a substantial risk.

Argyris: Yes, a tremendous risk, and he knows it. But that's the power issue. 57

DOWLING: Why is he keeping it secret?

ARGYRIS: Because he fears he'd lose his job, or the experiments would be killed. The other theory he has is that they would let him go on, but they'd call him some kind of a nut. Now, I'm told that the same thing is still happening at Procter and Gamble. There's a whole fascinating issue: Should people like myself go into organizations and collude with that kind of secrecy? Some people have said yes; I say no.

DOWLING: Why do you say no? I mean, assuming that what the people are trying to do is congruent with the values you think should be introduced into the organization ...

ARGYRIS: I say no because I think that in world of unilateral power—as it is in the pyramidal structure—it may be ethically unjust and professionally ineffective to collude with the higher-level people in their ignorance.
                  On top of that, any academic has a position of credibility vis-à-vis inquiry to maintain. Should a professor in a university hide knowledge? I don't think he should.

DOWLING: To get back for a minute to your friend in middle management who's instituting job enrichment and keeping it hidden from the boss; I suppose that he's hoping to get it out in the open after his innovation has proved its worth.

ARGYRIS: That's right, and he'll show his work.

DOWLING: In other words, what he's counting on is that his success will justify his actions.

ARGYRIS: Yes, and I've been in situations where that's exactly what happened. It did work, and the management said, "We're sorry; we really goofed. Thank God you did it," and in other places where they said, "Don't ever do that again." The man didn't get fired, but he didn't advance, either.

DOWLING: If top management were sufficiently authoritarian, success in itself might not be enough. I could conceive of him getting fired even if it worked.

ARGYRIS: I'm told that there are some people in General Foods who are worried because their Topeka plant is so famous. "What are the new problems we're going to have; why did we even start this?" they ask. And there's apparently another group, thank God, that's saying, "Well, we made progress; we can't go backward, so we've got to go forward."

DOWLING: You made an interesting observation that Theory X was hard on getting the job done but it was soft on the effectiveness of the system. Some of the most productive organizations had some of the most dry rot. Dry rot is John Gardner's phrase; you used "organizational entropy" instead. Could you expand on that?

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ARGYRIS: I've been in organizations in which you could point to losses of money, lessened commitment of effort, and so on. The comment people at the top made was, "Oh well, that's human nature." I remember one president who said, "Chris, 5 percent of the workers work, 10 percent think they work, and 85 percent would rather die than work. Now you can't change human nature." And I said, "How do you know you can't change human nature?" Then he responded with something like, "Middle management is full of clucks; we pay them more money than they're worth. You can't change that." So he's making assumptions about what cannot be changed that he has not tested. If he made the same assumptions about a product, someone would say, "Well, have you run a product test? How do you know you can't sell it or redesign it?" What I find is that most top managements permit the apathy, the indifference, the goldbricking to go on. And they rationalize it all as human nature.

DOWLING: Isn't there another element there? It's the sort of thing that Likert is always talking about: You can have all sorts of human resources wasted and under-utilized at the same time that the organization remains profitable.

ARGYRIS: If what I am saying is true of all organizations—or darn near all—then all this dry rot gets incorporated into the price structure, because there's no one you're competing with that doesn't have that same problem. So it looks inevitable, like death and taxes. Only when we get some organizations that can really alter these conditions and subsequently alter their price structure— and it is happening with some organizations that are practicing job enrichment—then we will see that all these notions about a rigid human nature are not necessarily valid.

DOWLING: Have you seen any reason to believe that the new development of human resource accounting is going to make any difference?

ARGYRIS: First of all, I haven't found it taking off as fast as I would like, but that's true of all innovations. Some people who know more about accounting than I do tell me that there are problems endemic in the technical aspects of the system. But let me give you a theoretical answer. I know of no better way of getting some changes than by changing the basic language of management, and the accounting system is part of the basic language. So I would assume that if they can genuinely describe the human costs and if those get into the P&L statement, outside pressures will force a reluctant management to take some action.

DOWLING: Organizational entropy is your answer to Lawrence's argument that "you show me the environment and I'll tell you what the organization should be." I suppose he's referring to the mechanistic-versus-the-organismic models; your argument would be that there is no mechanistic organization.

ARGYRIS: To put it another way, even if there were, it would be temporary, because the entropy inside will get so high that even a place like the Bell System, 59

which supposedly has a benign environment and is mechanistic, will have trouble.

DOWLING: In the "Beyond Theory Y" article by Lorsch and Morse in the *Harvard Business Review,* an Akron plant is cited as the model of a mechanistic organization with very set schedules, policies, and rules.

ARGYRIS: And everyone was happy and feeling competent. Even if we assume that all they said was true and the company is making plenty of money, it won't last. Look what happened at IBM. The engineering and marketing divisions had a monopoly of bright engineers; no good engineer would go into manufacturing, because there was no innovation going on. Then Tom Watson and others realized this and decided he wasn't going to have Akron-type plants. If the company was to remain prosperous, they had to encourage innovation at the maunfacturing level.

DOWLING: Was this Watson, Sr. or Watson, Jr.?

ARGYRIS: Watson, Jr. I think the same is true of what happened at General Foods. There were some non-Akron-type people in the Akron-type plant. Some of these frustrated people eventually got to the top and said, "Let's make some experiments."

DOWLING: The entropy you're talking about is a slow process. It's a little like Louis XV. After one generation of being happy, prosperous, and complacent with an Akron-type plant, then the deluge. You have retained a measure of distrust in situations where the people responsible for developing a program describe the marvelous things that have happened. There has to be an element of self-serving.

ARGYRIS: They could do very easily what I try to do in my own work—provide tapes and say, "OK, mister, this is how I decide whether people have learned or not, whether they have changed or not. Listen to the tapes and make up your own mind." I do think that there are two reasons for optimism about the capacity of organizations to improve themselves: First, there are an increasing number of long-range success stories in subsystems, not in one total system; second, there is going to be a greater predisposition on the part of younger managers to build on these success stories. I don't think ten years ago you could have predicted that General Foods would have done what it did do, but it was some of the young top people who saw the necessity for doing it. I should add a few words of caution. It's going to take a large team, not a small one, to develop a truly successful total organization.

Second, I don't think we have the necessary competence among most OD people. Not only are too many of them tied to the old T-group values of closeness and not concerned enough with effectiveness and competence, but many of them don't know enough about teaming up with people who know something about microeconomics or financial analysis, budgeting processes, management information systems—and all these things have to go

together. Therefore, it will be quite a while before we develop a successful organization.

DOWLING: Have these successes within subsystems—you mentioned parts of Polaroid, IBM, TRW, and Corning Glass—have they followed a common approach to organization development?

ARGYRIS: I don't know their approaches but I can tell you that things like T-groups, team building, intergroup rivalries being explored, the redesign of work—all of these have been included in the development process. But how they have used them I don't know in detail.

DOWLING: I remember reading accounts of job enrichment and job redesign at Texas Instruments at the foreman level. It was more or less successful, depending upon the amount of support that the foreman received from his immediate superior. In other words, it was a spotty business, depending on how much reinforcement, reassurance, and approval the foreman got, despite the fact that top management was formally committed to the concept. I suppose you would approve of the fact that the lower and middle managers had an option as to whether or not to follow this commitment. It wasn't forced on them.
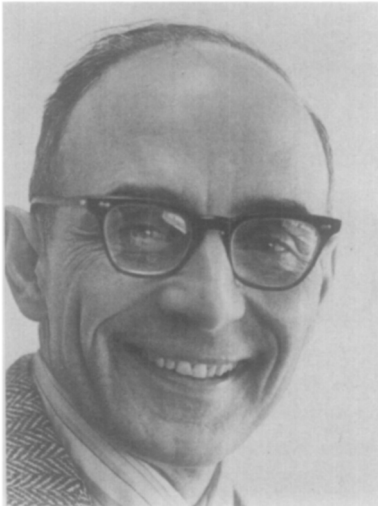
ARGYRIS: Yes, but I would also add something else. Some of those middle managers may, in fact, disbelieve the top people. They watched the top's behavior. The top can say they really mean it, but some of these middle men can be very cagey. What Texas Instruments didn't show were the real reasons why some of its supervisors didn't support the job enrichment program. They could write us a narrative by bringing some supervisors who weren't supportive into a room with some who were and asking, "Well, what prevents you from giving support?" What if someone says, "Well, I think you've got to be kidding; it's a new trick, a new fad?" What can we do to unfreeze that? The person might say, "Well, I'll tell you what you can do. Give me a boss who behaves differently than mine behaves." All right; let's bring in the boss. You see the direction I'm going in. If one middle manager fears job enrichment because of his own insecurities, while a second middle manager fears it because of his boss, the two people are regarded identically. They're both looked at as people who aren't supporting their foremen. But there's quite a difference. The only way to get at this difference is if the bosses are also confronted with their behavior.

DOWLING: There could be another element in the job enrichment program at Texas Instruments. The lack of support or commitment might be a form of resentment on the part of some middle managers whose jobs were not being similarly enriched.

ARGYRIS: That's a good point. That's one more reason I start at the top of the organization. I don't know the situation at Texas Instruments, but certainly at the telephone company there are plenty of young middle managers who would like a lot more enriched work.

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DOWLING: It might be useful to compare you with Ren Likert to put your approach to organizational change in a context. Your ideal or model of a manager is very close to Likert's System 4 manager. I think the primary difference is how to get there—how you move toward achieving a System 4 or System Yb.

ARGYRIS: OK. I like System 4 management, but I think there are conditions under which System 1 management is the most effective, especially for unimportant decisions.

I think you're right in that Ren and I are very close in terms of our goals. If I focused only on his writing, I'd have to agree that there might be a difference in how to get there, but if I focus on him as a human being as I know him, it's hard to think of things on which he and I would differ. He would think of unfreezing the top; he would consider T-groups as an alternative; he would consider using research results to unfreeze the organization—he was one of the first to do it and I do the same thing.

DOWLING: I would think of him as being somewhat more directive and authoritarian in terms of establishing a model. To me that's an important distinction.

ARGYRIS: That may be true. Ren is much more of a believer in persuading people to make certain kinds of changes. I believe in the autonomy of organizations to design and choose for themselves. I'm now trying to write up this material on the change in presidential behavior, and one of my fundamental assumptions is that the most important resource an organization has is valid information—or information that is validatable. Not people, not machines, but valid information is the most important resource in any kind of organization.

DOWLING: What are the preconditions for obtaining valid information?

ARGYRIS: Let me begin with the individual. The higher the self-acceptance and self-awareness, the lower the probability that a person will be defensive. The lower the probability that he will be defensive, the more open he will be to feedback. But he's got to get feedback that isn't itself defensiveness-producing. So if you're a pretty open individual and I say you're closed and I keep pushing it, there's a point at which you understandably may stop listening. The feedback you're getting is not particularly useful and helpful feedback. But then you can also say the higher the self-awareness, the higher the self-acceptance, the lower the probability that someone will give distorted and defensiveness-producing feedback. So one of the preconditions in human beings for obtaining valid information is increased self-awareness, increased self-confidence and self-acceptance.

Another condition is a condition of choice—to what extent can people choose, make choices, and to what extent are they held responsible for the choice. The more the person can be held responsible for the choice, the higher the probability that he will seek valid information and will not be satisfied with information that is not very valid or that isn't validatable. Another is a sense of essentiality. If a person feels a sense of essentiality in the organization family or whatever, there's a higher predisposition for valid information.